



***United States Attorney
District of New Jersey***

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**FORMER PARTNER IN NEW JERSEY-BASED INSURANCE BROKERAGE FIRM
SENTENCED TO FOUR YEARS IN PRISON FOR ORCHESTRATING
\$20 MILLION FRAUDULENT LOAN SCHEME**

NEWARK, N.J. – A former partner of the New Jersey-based insurance brokerage firm Smith Gatta Gelok was sentenced today to 48 months in federal prison for his role in a \$20 million fraudulent loan scheme, U.S. Attorney Paul J. Fishman announced.

Gavin Gatta, 48, of Wayside, N.J., previously pleaded guilty before U.S. District Court Judge Dennis M. Cavanaugh to a criminal Information charging him with wire fraud. Judge Cavanaugh also imposed today's sentence in Newark federal court.

According to documents filed in this case and statements made in court:

Gavin Gatta is a former partner at Smith Gatta Gelok ("SGG"), an insurance brokerage firm based in Monmouth County, N.J., which assisted businesses in purchasing commercial insurance. When businesses could not pay the entire insurance premium up front, SGG also would assist them in obtaining financing for the premium from one of several premium finance companies ("PFCs"). Gatta admitted that in 2003, he began preparing fake applications for premium financing on behalf of customers who did not need or request such financing and, in fact, previously had paid the full premium to the insurance carrier. Gatta would submit these fake applications to one of several PFCs and ask that the loan funds be sent back to SGG on behalf of the customer.

Gatta used these fake applications for financing to steal more than \$20 million in illicit proceeds, which he used to fund extravagant personal expenses such as jewelry and luxury automobiles – including a Mercedes, a Porsche, an Aston Martin and several Ferraris.

In addition to the prison term, Judge Cavanaugh sentenced Gatta to three years of supervised release and ordered him to pay restitution, in an amount to be determined later. Judge Cavanaugh stated that restitution will be at least \$22 million.

U.S. Attorney Fishman credited special agents of the Federal Bureau of Investigation, under the direction of Special Agent in Charge Michael B. Ward in Newark, with the investigation that resulted in today's guilty plea.

The government is represented by Assistant U.S. Attorney Christopher J. Kelly of the U.S. Attorney's Office Economic Crimes Unit in Newark.

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Defense counsel: Edward Dauber, Esq., Newark, N.J.